

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application No. : 09/932,588  
Applicant : James T. Pantaja  
Filed : August 17, 2001  
TC/A.U. : 3622  
Examiner : Daniel Lastra  
Title : Redemption System for Award Redemption  
Docket No. : 2829-141  
Customer No. : 6449  
Confirmation No. : 5221

**MAIL STOP – Appeal Brief -- Patents**  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

**APPELLANTS' REPLY BRIEF ON APPEAL UNDER 37 C.F.R. § 41.41**

Sir:

The following comprises Appellants' reply to the Examiner's Answer dated February 5, 2008, timely filed on April 7, 2008, within two-months of the Answer date. Appellants have reviewed the Examiner's Answer, and continue to believe the Examiner misconstrues the current invention as claimed. Further, after reviewing the Examiner's Answer, it is clear that the outcome of this appeal is centered on the limitation: "determining which of the allowed awards, having *different encumbrance levels*, to redeem based on the encumbrance levels," as recited in claim 1. (*emphasis added*).<sup>1</sup>

The Examiner has misconstrued the claim limitation recited above, and more specifically, the meaning of "different encumbrance levels." The Examiner argues that the claimed invention encompasses awards having an encumbrance level of "encumbered" or "non-encumbered". *See* Examiner's Answer, Pages 9-10. In fact, the Examiner states that, "[a]ccording to Appellants' specification there are only two encumbrance level [sic] with respect to Appellants' encumbrance database, said levels are 'encumbered' and 'non-encumbered'" *Id.* at Page 10.

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<sup>1</sup> Claim 8 recites, "determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels"; claim 17 recites, "determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels"; and claim 19, "determining allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels."

Further, the Examiner argues that “[n]owhere in Appellants’ specification is [sic] taught or disclosed that” if an award is encumbered to a greater degree, that award is redeemed prior to an award that is encumbered to a lesser degree. *See* Examiner’s Answer, Pages 10. This position is in direct conflict with the disclosure of the Appellants’ specification.

In the context of the claimed invention “different encumbrance levels” means that awards may be encumbered to different degrees, and thus may be more or less encumbered with respect to other awards. This position is well supported by the Appellants’ specification. For example, the Appellants’ specification states, when describing step 708 of Figure 7, “of the available awards with the earliest expiration date and with the earliest earning date, the *most* encumbered awards are determined.”<sup>2</sup> (Appln. p. 11, ln. 30-31) (*emphasis added*). Further, the Appellants’ specification states, “in step 708, row 340 is the *most* encumbered of the awards. (Appln. p. 12, ln. 3-4) (*emphasis added*). Moreover, the Appellants’ specification states, when describing step 710 of Figure 7, “if multiple rows of available awards with the earliest expiration date, with the earliest earning date, and the *most* encumbered are identified, then one of the rows is chosen.” (Appln. p. 12, ln. 5-7) (*emphasis added*). Thus, the use of the modifier “*most*” necessarily implies that there are other encumbrance degrees, such as least, less, or more. Further, if the notion of an “encumbrance level” merely contemplated “encumbered” or “non-encumbered”, use of the modifier “*most*” would be superfluous. Thus, Applicants’ claim interpretation is in perfect harmony with the teachings of the present application.

For example, assume that Figures 3 and 4 of the Appellants’ specification, as shown below for convenience, are the entirety of the transaction history database and the encumbrance database, respectively.

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<sup>2</sup> Figure 7 of the Appellants’ specification “is a simplified flow diagram illustrating one embodiment of a method for selecting awards for redemption.” (Appln. p. 11, ln. 11-12).

EARNING ID	CONSUMER ID	POINTS	BUSINESS ID	PROMOTION ID	EARN DATE	EXPIRATION DATE
332	1	111	100	2	1	2/1999 1/2002
334	2	111	50	2	2	1/2000 1/2003
336	3	111	50	3	1	1/1999 1/2002
338	4	111	50	4	2	1/1999 1/2002
340	5	111	50	5	1	1/1999 1/2002
342	6	111	50	6	1	2/1999 1/2002

FIG. 3

SUPPLIER ID	BUSINESS ID	PROMOTION ID
410	200	1
412	200	2
414	300	1
416	400	1
418	400	1

FIG. 4

If Consumer 111, using the Appellants' invention, according to claim 1, wanted to redeem his or her awards at Supplier 100, which awards would be redeemed first? By maintaining the award history database and the encumbrance database, and by receiving a request to redeem the awards at Supplier 100, the first three limitations of claim 1 are met. It is the last three limitations of claim 1 that are used to determine which awards are redeemed first. Each of these limitations is taken in turn below.

#### Determining allowed awards that can be redeemed with the chosen supplier

The chosen supplier in the example is Supplier 100. According to the Appellants' specification, Figure 4 is one embodiment of an encumbrance database. (Appln. p. 8, ln. 26-27). "The Business ID and Promotion ID [as shown in Figure 4] are identifiers of a merchant and promotion, respectively, for which the corresponding supplier [Supplier ID] will not redeem awards." (Appln. p. 8, ln. 32-34). Because Supplier ID 100 is not listed in the encumbrance database, Supplier 100 will redeem awards earned at any business under any promotion. Thus, all of the awards listed in Figure 3, the transaction history database, are "allowed awards that can be redeemed with the chosen supplier."

#### Determining encumbrance levels of the allowed awards based on the types of allowed awards and the data in the encumbrance database

According to the Appellants' specification, Figure 3 is one embodiment of a transaction history database. (Appln. p. 7, ln. 30-31). As determined previously, all of the awards listed in

Figure 3 are redeemable at Supplier 100, thus it is necessary to determine the “encumbrance levels of the allowed awards based on the types of allowed awards and the data in the encumbrance database.”<sup>3</sup> The various sets of award points in Consumer 111’s account are grouped common characteristics, e.g. business that issued points, promotion under which points were earned, earn date, expiration date, and are identified by different Earning IDs. From Figure 4, one can identify the Business/Promotion combination that will *not* be accepted by a supplier. Each of the awards, as referenced by an Earning ID, is then cross-referenced with the Supplier IDs that will not accept them.

- Earning ID 1: Not accepted by Supplier ID 200, 400
- Earning ID 2: Not accepted by Supplier ID *None*
- Earning ID 3: Not accepted by Supplier ID 300, 400
- Earning ID 4: Not accepted by Supplier ID 200
- Earning ID 5: Not accepted by Supplier ID *None*
- Earning ID 6: Not accepted by Supplier ID *None*

A simple scanning of the results reveals three distinct degrees of encumbrance: awards that are not encumbered (Earning IDs 2, 5, and 6); awards that are not redeemable at one supplier (Earning ID 4); and awards that are not redeemable at two suppliers (Earning IDs 1 and 3). Thus, in this example, there are three levels of encumbrance, and the level of encumbrance does not simply contemplate “encumbered” or “non-encumbered”.

**Determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels.**

According to the Appellants’ specification, priority may be given to the encumbrance level when determining which awards to redeem (Appln. p. 12, ln. 9-16). In this example, the most encumbered awards are redeemed first. The awards associated with Earning IDs 1, 3, and 4 are all encumbered. However, the awards associated with Earning IDs 1 and 3 are the first awards to be redeemed because they are the *most* encumbered. Likewise, the awards associated with Earning ID 4 are *more* encumbered than those awards associated with Earning IDs 2, 5, and

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<sup>3</sup> For simplicity, all of the awards are presumed to be of the same type. Therefore, it is unnecessary to discuss this aspect of the current invention.

6, which are the *least* encumbered because they have no encumbrances. Thus, the Appellants' specification clearly supports the interpretation that there are varying levels of encumbrance beyond "encumbered" and "non-encumbered" that can be used to determine which awards to redeem.

As previously set for in the Appellants' Amended Brief On Appeal Under 37 C.F.R. § 41.37, Ikeda et al. ("Ikeda"), U.S. Patent No. 5,937,391, does not teach that awards may have different encumbrance levels, but rather teaches that all points necessarily have the same encumbrance level. Thus, Ikeda cannot teach the claimed invention, as described above.

Moreover, even if the Examiner's interpretation, as discussed above, were correct, which it is not, Ikeda still would not anticipate the claimed invention. The Appellants argued previously that under the Ikeda system, if the hypothetical shopper wanted to purchase a product from shop A using points earned at shops A-D and F-H, a determination of which points to redeem based on encumbrance levels would be impossible because all of the points are *equally* encumbered as all of the points are non-redeemable at shop E. *See Appellants' Amended Brief On Appeal under 37 C.F.R. § 41.37, Page 10.* The Examiner has feebly attempted to rebut this argument, by stating that:

a determination of which points to redeem based on encumbrance levels would be possible because points earned at shop A-D and [sic] F-H would have an encumbrance level of 'encumbered' as said points are not accepted by shop E and Ikeda would simply select to redeem from the oldest one by priority one of the awards from shop A-D and F-H and if multiple rows of available awards with the same expiration date and encumbered are identified, Ikeda would simply select randomly one of those encumbered awards, as Appellant's specification discloses that 'if multiple rows of available awards with earliest expiration date and the most encumbered are identified, then one of the rows is chosen randomly.'

*See Examiner's Answer, Page 11.* First, the Examiner notably ignores the fact that the claim limitation in question calls for "allowed awards, having *different* encumbrance levels." (*emphasis added*). The Examiner then goes on to admit that all of the "points earned" would have the same encumbrance level, that of "encumbered." The Examiner then attempts to impermissibly read limitations from the specification into the independent claims, in a final

fruitless effort to show that Ikeda discloses the claimed invention.<sup>4</sup> Ikeda, as discussed in detail in the Appellants' Amended Brief On Appeal Under 37 C.F.R. § 41.37, in no way discloses the claimed invention.

Appellants note that the Examiner has stated that tables 1 and 2, as included in the Appellants' Amended Brief On Appeal Under 37 C.F.R. § 41.37 are new matter. *See* Examiner's Answer, Page 13. However, these tables and the accompanying explanations were set forth in order to better explain the present invention in the context of this appeal. The Appellants have made no attempt to amend their specification to include this explanatory information. Therefore, the Examiner's objection is off base.

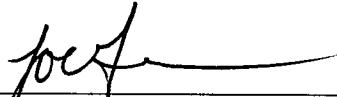
Appellants' again state that independent claims 1, 8, 17, and 19 are allowable. Likewise, claims 2-7, 11-15, and 18 are allowable because they are dependant on claims which are allowable

For the forgoing reasons, as well as the reasons set forth in Appellants' Amended Brief, Appellants again respectfully requests that the Board reverse all claim rejections.

Respectfully submitted,

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By



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<sup>4</sup> The Examiner also attempts to argue that Ikeda teaches types of allowed awards. The Examiner does nothing more than talk about a "type" as being the shop from which the award was earned. The specification of Ikeda, at Col. 11, ln. 10-50, discusses only the use of priority dates in redeeming points.